

VZCZCXRO9178
OO RUEHRD RUEHRG
DE RUEHSO #0212/01 0781249
ZNR UUUUU ZZH
O 191249Z MAR 07
FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6597
INFO RHEHNSC/NSC WASHDC
RUEHBR/AMEMBASSY BRASILIA 7713
RUEHRI/AMCONSUL RIO DE JANEIRO 7905
RUEHRG/AMCONSUL RECIFE 3453
RUEHRD/AMCONSUL MERIDA 0003
RUEHMN/AMEMBASSY MONTEVIDEO 2308
RUEHAC/AMEMBASSY ASUNCION 2965
RUEHBU/AMEMBASSY BUENOS AIRES 2677
RUEHCV/AMEMBASSY CARACAS 0463
RUEHLP/AMEMBASSY LA PAZ 3278
RUEHSG/AMEMBASSY SANTIAGO 2020
RUEHBO/AMEMBASSY BOGOTA 1526
RUEHQT/AMEMBASSY QUITO 0521
RUEHPE/AMEMBASSY LIMA 1132
RUEHME/AMEMBASSY MEXICO 0799
RUEHGT/AMEMBASSY GUATEMALA CITY 0103
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/USDOC WASHDC 2744
RUEHRC/USDA FAS WASHDC 0667
RHMFIUU/DEPT OF ENERGY WASHDC
RHMFISS/CDR USSOUTHCOM MIAMI FL
RHEHAAA/WHITEHOUSE WASHDC

UNCLAS SECTION 01 OF 04 SAO PAULO 000212

SIPDIS

SENSITIVE
SIPDIS

STATE FOR S/ES, WHA/FO, WHA/BSC, E
STATE PASS USTR SCRININ
STATE PASS EXIMBANK
STATE PASS OPIC FOR DMORONESE, NRIVERA, CVERVENNE
NSC FOR FISK, CARDENAS, FEARS
USDOC FOR 4332/ITA/MAC/WH/OLAC
USDOC FOR 3134/ITA/USCS/OIO/WH/RD
TREASURY FOR OASIA, DAS LEE AND JHOEK
DOE FOR GWARD
SOUTHCOM ALSO FOR POLAD
USAID FOR LAC/AA

E.O. 12958: N/A

TAGS: [OVIP](#) [BUSH](#) [GEORGE](#) [PREL](#) [PGOV](#) [SOCI](#) [EPET](#) [KTIA](#) [BR](#)
SUBJECT: VISIT OF PRESIDENT GEORGE W. BUSH TO SAO PAULO, BRAZIL

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY

SUMMARY

1. (SBU) On March 8-9, President George W. Bush came to Sao Paulo, Brazil for the first stop in his five-country visit to the Latin American nations of Brazil, Uruguay, Colombia, Guatemala, and Mexico. This visit served to underscore the U.S. commitment to the Western Hemisphere and highlighted the common agenda to advance freedom, prosperity, social justice, and the benefits of democracy in the areas of health, education, and economic opportunity. The President was accompanied by the First Lady, Secretary of State Condoleezza Rice (Secstate), USTR Ambassador Schwab, and Ambassador Sobel. The one-day visit in Sao Paulo included bilateral talks between President Bush and Brazilian President Luiz Inacio Lula da Silva, at which the two Presidents covered a range of issues. A major focus of the day was biofuels, including cooperation between Brazil and the United States in third countries. President Bush was treated to a demonstration of the ethanol production process and flex-fuel automobile engines, and he and President Lula spoke publicly about the importance of partnering in biofuels. In addition, Secstate signed a Memorandum of Understanding (MOU) with Foreign Minister Amorim to enhance collaboration and research in the

biofuels area (see septel).

¶2. (SBU) On the afternoon of March 9, the President held a roundtable discussion on opportunities for at-risk youth, attended by the director of a Sao Paulo social inclusion program centered on teaching life skills via music and dance (the Meninos do Morumbi), other directors of at-risk youth programs, and selected representatives of U.S. private-sector sponsors. Mrs. Bush conducted a separate program as she visited and held discussions with several social programs for at-risk youth concentrating on literacy and college preparation.

¶3. (SBU) The visit received extensive media coverage, focusing on Brazilian and U.S. cooperation on biofuels and U.S. Brazil trade relations. Although there was also press coverage of the protests and traffic disruption caused by the visit, overall the local media inclined towards a positive view of both the visit and of continued and improved Brazil - U.S. relations. End Summary.

BIOFUELS: ETHANOL PRODUCTION AND FLEX FUEL CARS

¶4. (SBU) The President's visit included a stop at a facility of Petrobras Transporte, a bulk petroleum transport and storage company. It is a subsidiary of Petrobras, Brazil's parastatal energy company, and the largest publicly traded corporation in the Southern hemisphere. He was greeted by President Luiz Inacio Lula da Silva and Petrobras President Jose Sergio Gabrielli de Azevedo. Immediately after a briefing by industry experts, the President viewed a demonstration of the ethanol production process and flex fuel engines, and then a demonstration of GM Brazil and Ford Brazil flex fuel cars presently sold in Brazil, which have the option of

SAO PAULO 00000212 002 OF 004

operating on either traditional gasoline or ethanol - or any combination thereof.

¶5. (SBU) In addressing the group, both Presidents expressed the importance of the strategic partnership between the two countries centered on the potential represented by innovation in alternative fuels, particularly ethanol and biodiesel. President Lula emphasized the social and environmental benefits resulting from the use of biofuels. President Bush expressed similar sentiments while noting that this is also a national security issue. He encouraged other countries, particularly in Central America, to minimize their dependence on oil and to look more to alternative energy. The overall message from both Presidents was optimistic about the future potential of alternative fuels. They both emphasized the importance of continued collaboration between the GoB and the USG on research and development in this area. President Lula said that partnership between Brazil and the United States on biofuels offered the possibility of a new moment for humanity.

VISIT TO MENINOS DO MORUMBI: INFECTIOUS DRUM BEAT

¶6. (SBU) The President and Mrs. Bush were welcomed by Flavio Pimenta, founder of the "Meninos do Morumbi" (Children of Morumbi) project. Originally a factory, the Meninos facility has now been converted into classrooms and a performing arts center for teenagers. They entered the "digital garage," where the President engaged with a dozen students who showed him their computer projects. Then, accompanied by the Ambassador, the President took part in a roundtable discussion on opportunities for at-risk youth employment. The roundtable participants included Sister Angela Kerry of Notre Dame, Indiana, and Doctor Claudio Lottenberg - both of whom headed projects to reach at-risk youth - as well as Meninos director Pimenta and Congressman Paulo Lustosa from Brazil's northeast state of Ceara. Two young people who once benefited from the featured programs but now teach in them, participated, as did two private-sector sponsors, the country directors of Dell Computers and Becton Dickinson. After the roundtable, the President went to the hall where 80 Meninos de Morumbi youth danced, sang and drummed the infectious Brazilian samba beat. The President spent over an hour at the project before departing for the airport.

¶17. (U) Throughout her program in Brazil, Mrs. Bush impressed those she met with her warmth and genuineness. She began her individual program in Sao Paulo at the Alfasol Literacy program, where she was hosted by Alfasol Chief Executive Officer Regina Esteves, a participant in the 2006 White House Conference on Global Literacy in New York City. Mrs. Bush participated in a roundtable discussion with eleven Brazilians who represented Alfasol's innovative literacy promotion partnerships with businesses, universities, and all levels of government. She expressed particular interest in the program's highly successful community engagement, measurement of effectiveness, and use of literacy programs in penitentiaries.

SAO PAULO 00000212 003 OF 004

Immediately following the roundtable discussion, Mrs. Bush attended a classroom demonstration where she met two of the Alfasol literacy teachers, observed the students participating in reading and writing activities, and heard stories of how learning to read had changed their lives.

¶18. (U) Upon leaving Alfasol, Mrs. Bush traveled to Projeto Aprendiz, an award-winning social program for at-risk youth, where the founder and general manager provided a brief overview of the program's "neighborhood as school" concept and introduced her to students who are participants in the project's highly successful college preparatory program. After watching younger children participating in a variety of activities in the inner courtyard (including serenades from several young musicians), she observed older youths engage in sports activities and entered the Aprendiz Caf where she met with five alumni who told her how the project had changed their lives. Among the stories she heard was that of a former street child who ended up going to college, writing a book about her life and becoming a journalist.

¶19. (U) Mrs. Bush was the guest of honor at a small luncheon in the Hilton hosted by the Brazilian First Lady Maria Leticia Lula da Silva. Other guests included prominent Brazilian women, including the wives of Sao Paulo Governor Jose Serra and Foreign Minister Celso Amorim.

MEDIA COVERAGE: EXTENSIVE AND POSITIVE

¶10. (SBU) Mission staff worked with White House and Planalto staff to organize media coverage of President Bush's arrival and departure, the biofuels event, joint press availability, MOU signing and visit to the NGO, Meninos do Morumbi. Separate arrangements were made for the press coverage of the First Lady's program as well as media interviews with USTR Susan Schwab and Ambassador Sobel. The arrival, biofuels event and joint press availability were open press; all other events were covered by a pool.

¶11. (SBU) The visit received extensive media coverage on a wide variety of themes impacting U.S.-Brazil relations, although the major focus was on Brazilian and U.S. cooperation on biofuels and bilateral trade relations. While the press took note of the various protests in Sao Paulo and throughout Brazil and the disruption to local traffic, the overall coverage focused on the purpose of the visit itself and reported on the visit as a positive event.

¶12. (SBU) Pre-visit local media coverage focused on the purpose of President Bush's visit to Brazil and included various editorials, op-eds and commentary on the United States and Brazil's trade relationship and the role Venezuelan President Hugo Chavez may have played in the President's decision to visit the region. Mission placed an op-ed by Ambassador Sobel in Brazil's largest circulation newspaper, Folha de Sao Paulo, on Sunday, March 3, to both sum up recent visits by U/S Burns and AG Gonzales and to set the scene for the President's visit. Ambassador Sobel also did print interviews with other major newspapers - Globo, Gazeta Mercantil, and Jornal do

SAO PAULO 00000212 004 OF 004

Brasil - on March 6 to set the stage for discussion. Other media reported on comments by President Lula indicating that he would push for reductions in ethanol tariffs and agricultural subsidies. Post-visit coverage focused on the MOU signed by both Presidents, President Lula's comments on the possibility of reaching agreement on the Doha Round and President Chavez's parallel activities in Argentina. Editorials and commentary contrasted the need for investment and trade versus aid in Latin America, the value of President Bush's visit to Brazil and the impact of the MOU. Many articles commented on President Bush and President Lula's excellent personal relationship. Press coverage also focused on President Bush's statement that no change in ethanol tariffs will occur before 2009. Photos and stories of the visit to Meninos do Morumbi and the First Lady's program were also featured.

13. (SBU) Ambassador Clifford Sobel was interviewed by four media outlets (TV Globo and three newspapers) immediately after the President's departure and these interviews were included in the weekend post-visit coverage and in the March 12 edition of economic/business newspapers. USTR Susan Schwab also interviewed with two economic newspapers and held a post-visit press conference. Her interviews and comments featured prominently in the March 10-12 newspapers as well.

14. (SBU) Comment: The visit of President Bush to Brazil on the first leg of his five country visit to the Western Hemisphere generated much positive momentum in Brazil - U.S. relations. Brazil is a leader in biofuels research and production, and the MOU signed between Secretary Rice and Foreign Minister Amorim opens up more opportunities for both countries to advance a common agenda, and to further address issues of prosperity and social justice within the region and beyond Latin America. Future discussions are also likely to address cooperation between the United States and Brazil on combating malaria. The bilateral talks offered opportunities to continue discussion on important trade issues prior to President Lula's visit to the U.S. next month, while the President's and Mrs. Bush's events with NGOs emphasized the importance of corporate social responsibility programs and social inclusion programs in advancing the benefits of democracy. Media coverage was very positive and highlighted the optimism both presidents expressed in future alternative biofuels collaboration and in advancing bilateral relations. End Comment.

15. (U) This cable was coordinated with the Deputy Executive Secretary, NSC/WHA, and Embassy Brasilia, and was approved by

SIPDIS
Ambassador Sobel.

MCMULLEN